

**Annual Report
1989 - 90**

Public Trustee



Includes 10% post-consumer waste



Minister of Justice

Attorney General

Room 104
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

The Honourable George Johnson, M.D.
Lieutenant-Governor of Manitoba

May it please Your Honour:

It is my privilege to present for the information of Your Honour the Annual Report of the Public Trustee for the fiscal year ending March 31, 1990.

Respectfully submitted,

James C. McCrae
Minister of Justice

Manitoba

Manitoba



The Public Trustee

13th Floor
Woodsworth Building
405 Broadway
Winnipeg, Manitoba, CANADA
R3C 3L6

Reply to:
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Honourable James C. McCrae
Minister of Justice
Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Mr. McCrae:

In accordance with the provisions of Section 19 of the Public Trustee Act, I submit this Eighth Annual Report for the period ending March 31, 1990.

The report of the Provincial Auditor dated February 18, 1991 and received by me March 22, 1991 is attached hereto as Appendix "A".

Yours truly,

A handwritten signature in dark ink, appearing to read "Irene A. Hamilton". The signature is fluid and cursive, with a prominent initial "I".

Irene A. Hamilton
Public Trustee

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Dimensions

1989-90

Staff complement	59
Revenue	\$3,215,000
Expenditure	\$3,467,000
Assets under administration	\$113,188,000
Number of Estates, Trusts and Legal Files	5,903

Public Relations and Education

The following organizations, Provincial Government Departments and entities were addressed by officials of the office of the Public Trustee during the 1989-90 fiscal year:

Alzheimer Society
Arborg Association for Community Living
Canadian Association for the Mentally Retarded —
Altona branch
Employee Assistance Program co-ordinators
Foyer Valade Personal Care Home (family members of
residents)
Personal Care Home Social Workers' Association
Seven Oaks Hospital operating room staff
Society of Manitobans with Disabilities Inc. — parent
support group, Lowe Farm, Manitoba
Virden Health Unit
Western Manitoba Residential Care Providers

Statistics

Estates and Trusts under Administration

In the fiscal year ending March 31, 1990, the net value of estates and trusts under administration increased to \$113,187,945 from \$100,144,423, an increase of 13.02%.

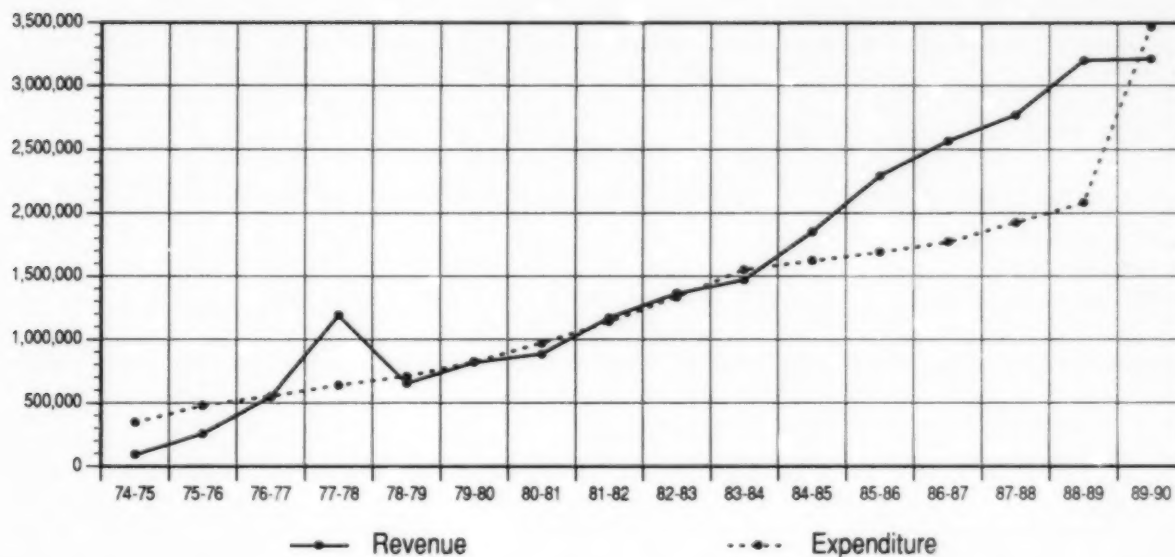
Preparation for conversion to a new computerized client and accounting system changed the manner in which the total number of files are tracked for statistical purposes. General files that do not represent estates under administration are no longer included. For this reason, the total number of estates, trusts and legal files was reduced from 7,272 to 5,903 in the fiscal year just ended. The number of active estates administered by the Mental Health section increased from 3,326 to 3,457, or 3.9%. The number of active trusts and deceased estates increased from 1,831 to 1,846 or 0.1%.

The Common Fund, the principal investment vehicle used by the Public Trustee, was valued at \$86,696,028 on March 31, 1990, compared with \$77,578,278 on March 31, 1989. This represents a growth of 11.75%

Office System

The staff of the office of the Public Trustee has devoted substantial efforts toward developing and implementing the new computerized client accounting system. It was expected that the new system would be implemented early in the next fiscal period. The new system will provide better management and financial reporting, as well as improved accounting control.

Revenue/Expenditure Profile



Year	Revenue	Expenditure	Revenue as % of Expenditure
1982-83	\$1,364,200	\$1,336,000	102.11%
1983-84	1,470,100	1,522,600	96.55%
1984-85	1,853,400	1,623,400	114.17%
1985-86	2,291,500	1,691,300	135.49%
1986-87	2,566,900	1,773,300	144.75%
1987-88	2,770,500	1,926,900	143.78%
1988-89	3,202,300	2,081,800	153.82%
1989-90	3,215,000	3,467,000*	92.73%

* Note: The expenditures for the year 1989-90 include

- (1) system development costs for the new computerized client and accounting system and
- (2) reimbursement to the Common Fund due to correction of amortization of bond premiums (Note 9 in Financial Statements)

The Public Trustee of Manitoba: Section Activity for years ending March 31, 1987 to March 31, 1990

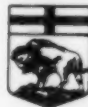
	1987	1988	1989	1990
Trusts and Estates Section				
Dollars under Administration	\$25,385,500	\$28,002,500	\$30,690,000	\$31,393,000
Number of Accounts				
Deceased Estates	783	762	774	750
Infant Trusts	974	1,055	1,057	1,096
	1,757	1,817	1,831	1,846

Mental Health Section

Dollars under Administration	\$57,815,000	\$66,860,200	\$69,454,000	\$81,795,000
Number of Clients	3,244	3,253	3,326	3,457

Legal Section

Number of files at beginning of year	482	436	475	541
Number of files opened	355	419	409	427
Sub-total	837	855	884	968
Number of files closed	401	380	343	368
Number of files at year-end	436	475	541	600



**Office of
the Provincial Auditor**

905 - 386 Broadway
Winnipeg, Manitoba, CANADA
R3C 3R6

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of estates and trusts under administration of the Public Trustee of Manitoba as at March 31, 1990 and the Statement of cash receipts and disbursements for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the estates and trusts under administration of the Public Trustee as at March 31, 1990 and the cash receipts and disbursements for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

February 18, 1991,
Winnipeg, Manitoba

F. H. Jackson, CA
Provincial Auditor

Exhibit A**Government of the Province of Manitoba
The Public Trustee of Manitoba****Balance Sheet of estates and trusts under administration**

as at March 31, 1990

(with 1989 figures for comparison)

Assets		
	1990	1989
Investments — common fund (Notes 2(a) and 6)	\$ 86,696,028	\$ 77,578,278
— specific estates and trusts (Note 7)	17,398,900	14,086,629
Annuity contracts (Note 2(c))	413	382
Accrued interest receivable on common fund investments (Note 2(a))	2,316,318	2,238,176
Receivable from the Government of the Province of Manitoba (Note 9)	592,885	603,879
Accounts receivable (Note 2(d))	111,996	113,022
Rentals receivable (Note 2(d))	6,573	6,554
Notes receivable, principal (Note 2(e))	136,296	162,858
Mortgages and agreements receivable (Note 2(e))	138,229	126,639
Interests in other estates (Note 2(f))	2,408	2,915
Real estate (Note 2(g))	5,987,331	5,485,604
	<u>\$113,387,377</u>	<u>\$100,404,936</u>
 Liabilities		
Cheques issued in excess of funds on deposit	\$ 43,410	\$ 169,449
Mortgages, notes and agreements payable (Note 2(h))	19,775	2
Public Trustee — Fees Payable (Note 3)	72,829	69,030
— Expenditures payable (Note 2(i))	63,418	22,032
	<u>199,432</u>	<u>260,513</u>
Estates and trusts under administration: (Note 2)		
Excess of recorded value of assets over liabilities		
The Mental Health Act	81,795,055	69,453,952
The Public Trustee Act	31,392,890	30,690,471
	<u>\$113,387,377</u>	<u>\$100,404,936</u>

Exhibit B
Government of the Province of Manitoba
The Public Trustee of Manitoba

Statement of Cash Receipts and Disbursements

for the year ended March 31, 1990
(with 1989 figures for comparison)

Receipts		Disbursements			
	1990	1989			
			1990	1989	
Funds held by estates and trusts brought under administration	\$ 9,705,273	\$ 8,655,858	Payments on account of:		
Realization of equities in other estates	1,690,571	624,653	Accounts payable discharged	\$ 101,519	\$ 255,812
Pensions, compensation and assistance	13,923,505	12,417,321	Mortgages and agreements payable	139,602	148,541
Sickness, disability and other insurance benefits	1,922,481	2,974,924	Real estate purchases	3,550	265,506
				244,671	669,855
Collections on account of:			Maintenance:		
Accounts receivable	219,925	145,268	Board, room and other expenses (Note 4)	14,602,864	13,640,143
Rentals and leases receivable	184,348	143,726			
Mortgages and agreements receivable	36,837	35,865	Preservation of estates:		
Receivable from the Government of the Province of Manitoba	98,609	—	Realty and income taxes	1,271,097	1,346,659
	539,719	324,859	Insurance	104,704	91,930
			Repairs	72,095	94,612
			Sundry	758,068	805,221
				2,205,964	2,338,422
Sale of chattels	240,978	125,888	Support of dependents	55,710	58,717
Sale of real estate	1,800,861	2,247,484	Administration and passing of accounts (Note 3)	3,136,848	2,505,586
Interest — bonds and investment certificates	11,633,417	9,762,105	Burial expenses	736,162	753,137
Dividends	145,070	73,080	Estates and trusts released from administration	10,913,947	11,568,596
Bank interest	84,144	104,967	Total disbursements, before purchase of securities	31,896,166	31,534,460
Total receipts, before sale or redemption of securities	41,686,019	37,311,139	Purchase of securities	86,451,800	59,707,480
Sale and redemption of securities	76,787,986	52,930,427	Cheques issued in excess of funds on deposit at end of year	(43,410)	(169,449)
Cash on hand and in bank at beginning of year	—	830,925		\$118,304,556	\$91,072,491
Cheques issued in excess of funds on deposit at beginning of year	(169,449)	—			
	\$118,304,556	\$91,072,491			

Government of the Province of Manitoba
The Public Trustee of Manitoba
Notes to Financial Statements

March 31, 1990

1. Role and Objective

The Public Trustee administers estates of mentally disordered persons, estates of deceased persons, and infant trusts. The Public Trustee is considered to be an appointment of last resort. The Public Trustee provides a public service, generally where there is no other competent or acceptable person available to provide the required service.

2. Significant Accounting Policies

Statement of Cash Receipts and Disbursements

The Statement of Cash Receipts and Disbursements reflects cash transactions which have occurred during the year for estates and trusts under administration.

Balance Sheet

The Balance Sheet reflects the position of estates and trusts under administration on an accrual basis with the following exceptions:

A. Assets

All known assets are included in the Balance Sheet except for chattels, which are accounted for in separate accounting records, and accruals on investment earnings held for specific estates and trusts.

B. Liabilities

Liabilities are only recorded on the Balance Sheet where accounts are due to the Government of the Province of Manitoba, and in respect of mortgages, notes and agreements payable described in Note 2(h).

The net recorded value of the estates and trusts under administration is governed by the valuation criteria described on the Balance Sheet as well as the following evaluation and accounting policies:

a) Common Fund Investments

Investments of the common fund, established pursuant to Section 11 (1) of The Public Trustee Act, are restricted to securities and loans authorized under The Trustee Act. Common fund investments are recorded at cost, adjusted for the amortization of premiums or discounts on purchase on a straight-line basis over the remaining term to maturity of the security. Interest is accrued on these investments. Earnings are distributed semi-annually to the individual estates and trusts on a pro rata basis.

b) Shares of Capital Stock and Mutual Funds

(i) Mental Health and Infant Trusts

The basis of valuation of shares assumed under administration prior to December 22, 1971 is at Valuation Day prices (market value as at December 22, 1971), except shares for which no Valuation Day price exists. Shares are then recorded at cost, if available, or at a nominal value of \$1.

Shares assumed under administration since December 22, 1971 have been recorded at the market value as at the date of assumption or at a nominal value of \$1 where market value is not readily available.

All shares purchased by the Public Trustee are recorded at cost.

(ii) Estates of Deceased Persons

Shares forming part of estates of deceased persons assumed under administration have been recorded at the market value as at the date of death. Shares purchased by the Public Trustee are recorded at cost. Where no market value exists, nominal values of \$1 are used.

Shares recorded at Valuation Day prices (December 22, 1971), assumed under administration since December 22, 1971, and purchased by the Public Trustee, amount to \$2,522,038 (1989 — \$1,714,419), with the balance of the account representing share certificates of a nominal value of \$1 each.

Government of the Province of Manitoba
The Public Trustee of Manitoba
Notes to Financial Statements

March 31, 1990

c) Annuity Contracts

This account is represented by receivables recorded at a nominal value of \$1 each.

d) Accounts Receivable and Rentals Receivable

Determinable accounts receivable and rental receivable amount to \$117,862 at March 31, 1990 (1989 — \$118,896), with the balance of the account represented by accounts and rentals receivables recorded at a nominal value of \$1 each.

e) Notes, Mortgages and Agreements Receivable

Notes, mortgages and agreements receivable reflect the amount of principal and interest due and unpaid at the time each estate was brought under administration, less any payments subsequently received. Interest due and accrued during administration is recorded on a cash basis.

f) Interests in Other Estates

Determinable interests in other estates amounts to \$2,343 at March 31, 1990 (1989 — \$2,855), with the balance of the account represented by interests in other estates recorded at a nominal value of \$1 each.

g) Real Estate

Real estate is valued at estimated market value and amounts to \$5,987,005 at March 31, 1990 (1989 — \$5,485,294), the balance of the account, represented by burial plots, mines and mineral rights and mobile homes are recorded at a nominal value of \$1 each.

h) Mortgages, Notes and Agreements Payable

Mortgages, notes and agreements payable are recorded in instances where the possibility exists that payments may be made on account of those liabilities. Interest due and accrued during administration is recorded on a cash basis.

Determinable mortgages, notes and agreements payable amount to \$19,771 at March 31, 1990 (1989 — \$—), with the balance of the account represented by mortgages, notes and agreements payable recorded at a nominal value of \$1 each.

i) Expenditures Payable to the Public Trustee

Expenditures payable to the Public Trustee represent disbursements made on behalf of estates or trusts for which funds were not immediately available. These expenditures will be recovered from the estates or trusts concerned by the Public Trustee in due course when funds become available. If funds do not become available, these expenditures are recovered from an appropriation of the Department of Justice, Government of the Province of Manitoba.

3. Administration Fees

Under Section 14 of The Public Trustee Act, the Public Trustee may determine reasonable charges based on the services provided to the estates and trusts under his administration. Charges are made annually on the aforementioned basis to each estate and trust on its anniversary date of enrollment with the Public Trustee, except those estates and trusts which do not have sufficient funds, where the charges are either reduced or not made.

The Government of the Province of Manitoba requested that the total costs of the Public Trustee's Office be fully recovered by means of these administration fees. These fees are remitted to the Government of the Province of Manitoba when funds become available in each estate and trust.

4. Board, Room and Other Expenses

Board, room and other expenses reflect payments made for current general living expenses, which mainly include clothing, comforts, medical and nursing home costs, during periods of supervision, probation and hospitalization.

Government of the Province of Manitoba
The Public Trustee of Manitoba
Notes to Financial Statements

March 31, 1990

5. Administration Costs

Administration costs of the Public Trustee are paid out of appropriations of the Government of the Province of Manitoba and are not reflected in these financial statements. Where appropriate, these costs are recovered from estates and trusts in a manner as explained in Note 3.

6. Investments — Common Fund

	1990 Par Value	1990 Book Value	1989
Term deposits and investment certificates	\$18,400,000	\$18,400,000	\$ 2,800,000
Government of Canada bonds	53,575,000	57,061,975	50,879,462
Province of British Columbia bonds	—	—	2,028,632
Province of Manitoba bonds	200,000	199,563	199,475
Province of Quebec bonds	1,000,000	998,274	997,536
Ontario Hydro-Electric bonds	9,000,000	9,036,216	20,673,173
Federal Business Development Bank	1,000,000	1,000,000	—
	\$83,175,000	\$86,696,028	\$77,578,278

7. Investments — Specific Estates and Trusts

	1990	1989
Term deposits, investment certificates and treasury bills, at par value	\$6,322,547	\$4,753,090
Government of Canada and other bonds, at par value	8,554,199	7,619,048
Shares of capital stock and mutual funds (Note 2(b))	2,522,154	1,714,491
	\$17,398,900	\$14,086,629

8. Statutory Fees and Costs

Under Section 3(3) and Section 4 of The Public Trustee Act and Section 12 of The Infants' Estates Act, the Public Trustee provides legal services for estates and trusts not under his administration. Fees and court awarded costs collected and remitted to the Government of the Province of Manitoba amounted to \$8,958 for the year ended March 31, 1990 (1989 — \$10,441). These amounts are not reflected in the financial statements.

9. Allocation of the Amortization of Premiums Paid on Bond Purchases

The amortization of premiums paid on bond purchases was not processed properly in the trust equity accounts, resulting in an overallocation of interest. This matter has been resolved and the active estates and trusts have been charged with the appropriate amount of the amortized premiums paid. Subsequent to March 31, 1990, the Government of the Province of Manitoba has provided funds to reimburse the Common Fund for the portion of the amortized bond premiums pertaining to discharged estates and trusts and to refund fees previously paid on the overallocated interest.